



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: June 14, 2013

Approved

Date

6/14/13

SUPPLEMENTAL

**SUBJECT: ACTIONS RELATED TO THE DEVELOPMENT OF THE DONNER
LOFTS APARTMENT PROJECT LOCATED AT 156 E. ST. JOHN
STREET – SUPPLEMENTAL REPORT**

REASON FOR SUPPLEMENTAL

The reason for this Supplemental Memorandum is to appropriate \$2,300,000 from the proceeds of the County Children's Shelter settlement agreement in Fiscal Year 2012-2013 in order to disburse funds for the acquisition of the property by the City and to record a grant deed evidencing the City as the owner of the property located at 156 E. St. John Street and a memorandum of option to lease in time to meet a MidPen Housing Corporation deadline for a tax credit application due on July 3, 2013.

RECOMMENDATION

1. Adopt the following Appropriation Ordinance amendments in the Multi-Source Housing Fund for Fiscal Year 2012-2013, subject to City Council approval of the budget actions in Item 3.3 (Approval of Various Budget Actions for Fiscal Year 2012-2013) associated with the Multi-Source Housing Fund:
 - a. Establish an appropriation to the Housing Department for Housing Loans and Grants in the amount of \$2,300,000; and
 - b. Decrease the Ending Fund Balance by \$2,300,000.

ANALYSIS

Recommendations to recognize revenue totaling \$5,126,000 from the County Children's Shelter Agreement in the Multi-Source Housing Fund are included as part of the Approval of Various Budget Actions for Fiscal Year 2012-2013 memorandum that will be considered by the City Council on June 18, 2013 (Item 3.3, page B-17). At the time of the development of this memorandum, no recommendations to appropriate these revenues were included because no funding was anticipated to be expended before July 1, 2013; therefore, these funds were allocated to the Ending Fund Balance. However, the timeline has been accelerated to meet a tax credit application deadline.

As recommended as part of this memorandum, the establishment of a Housing Loans and Grants appropriation in the amount of \$2,300,000, offset by a decrease in the Ending Fund Balance, will enable the Director of Housing to execute a Purchase and Sale Agreement with the MidPen Housing Corporation or its affiliated development entity (MidPen) for the Donner Lofts property located at 156 E. St. John Street in an amount of up to \$2,300,000 in Fiscal Year 2012-2013. This appropriation is needed in 2012-2013 in order to meet the accelerated timeline required to record a grant deed evidencing the City as the owner of the property and a Memorandum of Option for MidPen demonstrating MidPen's site control in time to meet a tax credit application deadline on July 3, 2013.

PUBLIC OUTREACH/INTEREST

- ☒ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets the Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater and will be posted on the City Council agenda for the June 18, 2013, City Council meeting.

June 14, 2013

Subject: Actions Related to the Development of the Donner Lofts Apartment Project

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COORDINATION

This memorandum has been coordinated with the Office of the City Attorney.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to establish a Housing Loans and Grants appropriation as recommended as part of this memorandum.

Fund #	Appn #	Appn Name	Total Appn	Amount	2012-2013 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
448	8999	Unrestricted – Ending Fund Balance	\$18,360,257*	\$2,300,000	XI-75	2/12/2013, Ord. No. 29208

* The Ending Fund Balance will increase by \$16,101,000, from \$2,259,257 to \$18,360,257, with all the actions recommended in the Approval of Various Budget Actions for Fiscal Year 2012-2013 memorandum, which will be considered by the City Council on June 18, 2013.

/s/

LESLYE CORSIGLIA
Director of Housing

Margaret McCahan for

JENNIFER A. MAGUIRE
Budget Director

For questions, please contact Leslye Corsiglia, Director of Housing at 408-535-3851.